

Caddo Community Action Agency, Inc.
Shreveport, Louisiana

Financial Statements

For the Years Ended January 31, 2007 and 2006
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/29/07

**Caddo Community Action Agency, Inc.
Shreveport, Louisiana**

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1 – 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities:	
For the Year Ended January 31, 2007	4
For the Year Ended January 31, 2006	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 13
Combining Schedules:	
Combining Schedule of Financial Position	14
Combining Schedule of Activities	15
Schedule of Expenditures of Federal Awards	16
Supplemental Schedules Prepared for Grants and Contracts Analysis:	
Head Start Grant No. 06CH6376/35	
Schedule of Revenues, Expenses and Changes in Fund Balance	
For the Contract Period: February 1, 2006 to January 31, 2007	18
Child and Adult Care Food Program	
Schedule of Revenues, Expenses and Changes in Fund Balance	
For the Period: February 1, 2006 to January 31, 2007	19
Weatherization Assistance Program	
Schedule of Revenues, Expenses and Changes in Fund Balance	
For the Contract Period: April 1, 2005 to March 31, 2006	20
Shreveport Water Assistance Program	
Schedule of Revenues, Expenses and Changes in Fund Balance	
For the Contract Period: January 1, 2006 to December 31, 2006	21

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana

Table of Contents
(Continued)

Emergency Food and Shelter Program Schedule of Revenues, Expenses and Changes in Fund Balance For the Period: February 1, 2006 to January 31, 2007	22
General Funds Schedule of Revenues, Expenses and Changes in Fund Balance For the Period: February 1, 2006 to January 31, 2007	23
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	24 – 25
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	26 – 27
Summary Schedule of Prior Audit Findings	28
Schedule of Findings and Questioned Costs	28 – 30
Schedules for Louisiana Legislative Auditor:	
Summary Schedule of Prior Audit Findings	31
Corrective Action Plan for Current Year Audit Findings	32

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Independent Auditors' Report

To the Board of Directors
Caddo Community Action Agency, Inc.
Shreveport, Louisiana

We have audited the accompanying statements of financial position of Caddo Community Action Agency, Inc. (a nonprofit organization), as of January 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Caddo Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

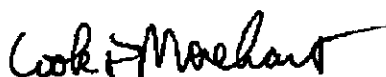
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caddo Community Action Agency, Inc., as of January 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2007 on our consideration of Caddo Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Caddo Community Action Agency, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Caddo Community Action Agency, Inc. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying supplemental schedules shown on pages 14 – 15, are presented for the purpose of additional analysis and are not a required part of the financial statements of Caddo Community Action Agency, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying supplemental schedules, listed as "Supplemental Information Schedules Prepared for Grants and Contracts Analysis" in the table of contents and shown on pages 18 – 23 are presented for the purpose of providing various funding sources of Caddo Community Action Agency, Inc., additional individual grant and contract analysis and are not a required part of the financial statements. The information is prepared on a prescribed basis of the various funding sources of Caddo Community Action Agency, Inc., and certain schedules are for periods other than the organization's fiscal year. These schedules are not presented in accordance with generally accepted accounting principles. Accordingly, the schedules mentioned previously and shown on pages 18 – 23 are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion are fairly stated on the basis of accounting practices prescribed by the various funding sources.



Cook & Morehart
Certified Public Accountants
July 27, 2007

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statements of Financial Position
January 31, 2007 and 2006

Assets	<u>2007</u>	<u>2006</u>
Current assets:		
Cash	\$ 83,598	\$ 316,769
Grant receivables	615,168	570,269
Due from other funds	<u>68,293</u>	<u>68,393</u>
Total current assets	<u>765,059</u>	<u>955,431</u>
Property and Equipment:		
Property and equipment	9,625,472	9,608,496
Accumulated depreciation	<u>(3,362,177)</u>	<u>(2,947,365)</u>
Net property and equipment	<u>6,263,295</u>	<u>6,661,131</u>
Total Assets	<u>\$ 7,028,354</u>	<u>\$ 7,616,562</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 289,026	\$ 365,616
Accrued liabilities	374,625	423,702
Due to other funds	66,293	68,393
Other liability, current portion	2,090	12,000
Note payable, current portion	919,846	1,126,358
Refundable advances	<u>3,423</u>	<u>34,397</u>
Total current liabilities	<u>1,655,303</u>	<u>2,030,466</u>
Other liability, less current portion		2,090
Total liabilities	<u>1,655,303</u>	<u>2,032,556</u>
Net assets:		
Unrestricted:		
Operating	21,620	(13,462)
Designated for use in programs	7,982	60,381
Fixed assets	<u>5,343,449</u>	<u>5,534,773</u>
Unrestricted net assets	<u>5,373,051</u>	<u>5,581,692</u>
Temporarily restricted		<u>2,314</u>
Total net assets	<u>5,373,051</u>	<u>5,584,006</u>
Total Liabilities and Net Assets	<u>\$ 7,028,354</u>	<u>\$ 7,616,562</u>

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statement of Activities
For the Year Ended January 31, 2007

	Unrestricted	Temporarily Restricted	Total
Revenues and reclassifications:			
Contractual revenue - grants	\$ 11,544,324	\$	\$ 11,544,324
Miscellaneous revenues	121,881	12,000	133,881
Net assets released from restrictions:			
Satisfaction of restrictions	14,314	(14,314)	
Total revenues and reclassifications	11,680,519	(2,314)	11,678,205
Expenses:			
Head Start program	9,334,927		9,334,927
Child care food program	942,375		942,375
Community services	995,896		995,896
Weatherization assistance	338,876		338,876
Home energy assistance	133,339		133,339
Water assistance	17,412		17,412
Emergency food and shelter	26,944		26,944
Other general services	99,391		99,391
Total expenses	11,889,160		11,889,160
Changes in net assets	(208,641)	(2,314)	(210,955)
Net assets as of beginning of year	5,581,692	2,314	5,584,006
Net assets as of end of year	\$ 5,373,051	\$	\$ 5,373,051

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statement of Activities
For the Year Ended January 31, 2006

	Unrestricted	Temporarily Restricted	Total
Revenues and reclassifications:			
Contractual revenue - grants	\$ 12,400,597	\$	\$ 12,400,597
Miscellaneous revenues	62,377	15,000	77,377
Net assets released from restrictions:			
Satisfaction of restrictions	26,063	(26,063)	
Total revenues and reclassifications	12,489,037	(11,063)	12,477,974
Expenses:			
Head Start program	9,763,831		9,763,831
Child care food program	930,642		930,642
Community services	901,105		901,105
Weatherization assistance	471,781		471,781
Home energy assistance	261,852		261,852
Water assistance	16,592		16,592
Summer food service	24,567		24,567
Emergency food and shelter	29,865		29,865
Other general services	121,894		121,894
Total expenses	12,522,129		12,522,129
Changes in net assets	(33,092)	(11,063)	(44,155)
Net assets as of beginning of year	5,614,784	13,377	5,628,161
Net assets as of end of year	\$ 5,581,692	\$ 2,314	\$ 5,584,006

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Statements of Cash Flows
For the Years Ended January 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Operating activities		
Changes in net assets	\$ (210,955)	\$ (44,155)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	448,012	473,395
(Increase) decrease in operating activities:		
Grant receivables	(44,899)	(18,041)
Prepaid insurance		88,759
Increase (decrease) in operating liabilities:		
Accounts payable	(76,590)	17,586
Accrued liabilities	(49,077)	63,050
Other liabilities	(12,000)	(12,000)
Refundable advances	(30,974)	7,492
Net cash provided by operating activities	<u>23,517</u>	<u>576,086</u>
Investing Activities		
Payments for property and equipment	(50,176)	(447,705)
Net cash used in investing activities	<u>(50,176)</u>	<u>(447,705)</u>
Financing Activities		
Payments on loan	(206,512)	(50,203)
Net cash used in financing activities	<u>(206,512)</u>	<u>(50,203)</u>
Net increase (decrease) in cash	(233,171)	78,178
Cash as of beginning of year	<u>316,769</u>	<u>238,591</u>
Cash as of end of year	<u>\$ 83,598</u>	<u>\$ 316,769</u>

Supplemental disclosure:

Cash paid for interest in 2007 and 2006 was \$49,707 and \$32,782, respectively.

Non-cash investing and financing activities:

Acquisition of building	
Cost of building	\$ 1,522,165
Building loan	(1,176,562)
Cash down payment for building	<u>\$ 345,603</u>

The accompanying notes are an integral part of this statement.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2007 and 2006

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Caddo Community Action Agency, Inc., (CCAA) is a private non-profit organization incorporated under the laws of the State of Louisiana. CCAA is governed by a Board of Directors composed of members from Caddo Parish. CCAA operates as a community action agency administering various federal and state funded programs designed to provide assistance to the poor and disadvantaged in Caddo Parish, Louisiana, with Weatherization Services also provided in Rapides and Lincoln parishes. CCAA administers the following programs, shown with their approximate percentage of revenues for the year ended January 31, 2007:

Head Start Program (77%) – Provides comprehensive early child development for disadvantaged and handicapped preschool children and their families. Funding is provided through federal funds from the U. S. Department of Health and Human Services.

Child Care Food Program (8%) - Provides a food service program in coordination with the Head Start Program. Funding is provided by federal funds passed through the State of Louisiana, Department of Education.

Community Services Block Grant (9%) – Administers various programs to fulfill responsibilities and provide assistance to the poor, disadvantaged and unemployed through housing services, community projects, nutrition services, emergency assistance, employment services, transportation services, and other services. Funding is provided by federal funds passed through the State of Louisiana, Department of Labor.

Weatherization Assistance Program (3%) – Provides assistance to weatherize (insulate) the dwellings of low-income persons, particularly the elderly and handicapped low-income in order to conserve needed energy and aid those persons least able to afford higher utility costs. Funding is provided by federal funds passed through the Louisiana Housing Finance Agency.

Home Energy Assistance Program (1%) – Provides assistance to low income households to offset the burden of high energy costs. Funding is provided by federal funds passed through the Louisiana Housing Finance Agency.

Shreveport Water Assistance Program (1%) – Provides assistance to hardship families in paying their water bills. Funding is provided by a contract with the City of Shreveport.

Emergency Food and Shelter Program (1%) – Provides funding to purchase food and shelter for people in emergency situations. Funding is provided by federal funds from the U.S. Department of Homeland Security.

B. Basis of Accounting

The financial statements of CCAA have been prepared on the accrual basis of accounting.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2007 and 2006
(Continued)

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Tax Status

CCAA is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to CCAA's tax-exempt purpose is subject to taxation as unrelated business income. CCAA had no such income for this audit period.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, CCAA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. CCAA had no cash equivalents at January 31, 2007 or January 31, 2006.

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. The Federal Government has a reversionary interest in property purchased with federal funds; its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations. The use of assets purchased with federal funds is limited to the purposes intended by the funding agency. CCAA has adopted a policy to capitalize all items with a unit cost of \$1,000 or greater.

H. Retirement Obligations

Effective January, 1999, CCAA began offering a 401(K) plan for its employees. Employees with at least one year of service may contribute a portion of their gross wages ranging from 1% to 15% (not to exceed \$7,000) to the plan. CCAA will match the employees' contributions at \$.25 on the dollar up to 4% of the employees gross wages. Effective February 2005, CCAA changed the type of 401(k) to a 401(k) profit sharing plan. Employees with at least three months of service may contribute a portion of their gross wages up to a dollar limit (\$14,000 for 2005) which is set by law. Each year CCAA determines the percentage of an employee's compensation it will contribute to the plan. For the year ended January 31, 2007, the contribution was 2% of eligible wages. The amount contributed to the plans for the years ended January 31, 2007 and 2006 was \$131,011 and \$132,790, respectively.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2007 and 2006
(Continued)

I. Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contractual grant revenue is reported as unrestricted support due to the restrictions placed on those funds by the funding sources being met in the same reporting period as the revenue is earned.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

J. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(2) Concentrations of Credit Risk

Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. As of January 31, 2007 and 2006, CCAA had no significant concentrations of credit risk in relation to grant receivables.

CCAA maintains cash balances at several financial institutions located in the Shreveport area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At January 31, 2007, total cash balances held at financial institutions was \$153,837. Of this amount, \$107,008 was secured by FDIC, and \$46,829 was collateralized by pledged securities. At January 31, 2006, total cash balances held at financial institutions was \$444,019. Of this amount, \$108,284 was secured by FDIC, \$335,735 was collateralized by pledged securities.

(3) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from funding sources at January 31, 2007 and 2006, but received after that date.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2007 and 2006
(Continued)

(4) Due To and From Other Funds

The following schedule represents amounts due to and due from other funds at January 31, 2007 and 2006:

<u>Fund</u>	<u>2007</u>		<u>2006</u>	
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Unrestricted	\$ 53,385	\$ 12,908	\$ 35,885	\$ 32,508
Restricted Funds:				
Water Assistance Program	3,500	—	13,600	—
Community Services Block Grant	—	200	—	200
Weatherization Assistance Program	—	53,185	—	35,685
Home Energy Assistance Program	9,408	—	18,908	—
	<u>\$ 66,293</u>	<u>\$ 66,293</u>	<u>\$ 68,393</u>	<u>\$ 68,393</u>

(5) Property and Equipment

Property and equipment consisted of the following at January 31, 2007:

	<u>Estimated Depreciable Life</u>	<u>Purchased With Federal Funds</u>	<u>Purchased With Non-Federal Funds</u>	<u>Total</u>
Buildings and improvements	15 - 30 years	\$ 6,520,342	\$ 82,493	\$ 6,602,835
Construction in progress		30,000	—	30,000
Land		312,786	—	312,786
Furniture, fixtures, equipment	5 -10 years	1,141,592	22,186	1,163,778
Vehicles	5 years	1,431,724	24,349	1,456,073
Idle Property		—	60,000	60,000
Accumulated depreciation		(3,320,137)	(42,040)	(3,362,177)
Net investment in property and equipment		<u>\$ 6,116,307</u>	<u>\$ 146,988</u>	<u>\$ 6,263,295</u>

Property and equipment consisted of the following at January 31, 2006:

	<u>Estimated Depreciable Life</u>	<u>Purchased With Federal Funds</u>	<u>Purchased With Non-Federal Funds</u>	<u>Total</u>
Buildings and improvements	15 - 30 years	\$ 6,520,342	\$ 82,493	\$ 6,602,835
Land		312,786	—	312,786
Furniture, fixtures, equipment	5 -10 years	1,131,833	27,939	1,159,772
Vehicles	5 years	1,440,994	24,349	1,465,343
Idle Property		7,760	60,000	67,760
Accumulated depreciation		(2,909,362)	(38,003)	(2,947,365)
Net investment in property and equipment		<u>\$ 6,504,353</u>	<u>\$ 156,778</u>	<u>\$ 6,661,131</u>

Depreciation expense was \$448,012 and \$473,395 for the years ended January 31, 2007 and 2006, respectively.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2007 and 2006
(Continued)

(6) Refundable Advances

CCAA records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

(7) Accrued Liabilities

Accrued liabilities at January 31, 2007 and 2006 consisted of the following:

	<u>2007</u>	<u>2006</u>
Accrued payroll	\$ 249,748	\$ 240,346
Accrued leave	81,413	80,501
Accrued interest payable	4,358	—
Payroll taxes payable	39,106	102,855
	<u>\$ 374,625</u>	<u>\$ 423,702</u>

(8) Unrestricted, Operating Net Assets

Included in unrestricted, operating net assets are the following program balances:

	<u>2007</u>	<u>2006</u>
Weatherization	\$ (29,982)	\$ (11,479)
Water Assistance	5,568	14,063
Summer Food Service	—	267
General Services	46,034	(16,313)
	<u>\$ 21,620</u>	<u>\$ (13,462)</u>

(9) Designated Net Assets

The designated net assets at January 31, 2007 and 2006, consisted of \$7,982 and \$60,381, respectively, designated for construction costs associated with a new Head Start and Community Center.

(10) Restrictions on Net Assets

Temporarily restricted net assets consisted of the following at January 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
CPC—Emergency Aid program	<u>\$ —</u>	<u>\$ 2,314</u>

(11) Contractual Revenue – Grants

During the years ended January 31, 2007 and 2006, CCAA received contractual revenue from federal and state grants in the amount of \$11,544,324 and \$12,400,597, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2007 and 2006
(Continued)

(12) Leases

The agency leases several buildings and certain equipment under operating leases. The rental costs on these items for the years ended January 31, 2007 and 2006, were \$92,586 and \$142,023, respectively. Commitments under lease agreements having initial or remaining non-cancellable terms in excess of one year are as follows:

<u>For the Year Ending January 31,</u>	
2008	\$ 25,882
2009	845
2010	845
2011	845
2012	<u>141</u>
Total minimum future rentals	<u>\$ 28,558</u>

(13) Other Liability

This balance represents an amount due pursuant to a repayment agreement dated January 10, 2001 between Caddo Community Action Agency, Inc. and the State of Louisiana, Department of Social Services, Office of Community Services. The agreement was made in regards to disallowed cost associated with the Agency's Weatherization Assistance Program. The agreement calls for repayment of \$75,090 by making monthly payments of \$1,000. The agency made payments totaling \$12,000 during the year ended January 31, 2007, and \$12,000 during the year ended January 31, 2006. The balance owed at January 31, 2007 is \$2,090.

Future scheduled maturities are as follows:

<u>Year ending January 31,</u>	<u>Amount</u>
2008	<u>\$ 2,090</u>

(14) Note Payable

Long-term debt at January 31, 2007 and 2006 consisted of the following:

	<u>2007</u>	<u>2006</u>
Note payable to a bank, due in monthly installments of \$9,664, including interest of 5.5%, with one final installment on January 28, 2007, secured by agency buildings.	\$ 919,846	\$ 1,126,358
Less current installments on long-term debt	<u>919,846</u>	<u>1,126,358</u>
	<u>\$ —</u>	<u>\$ —</u>

Total interest expense incurred on this loan for the years ended January 31, 2007 and 2006 was \$54,155 and \$32,782, respectively.

Subsequent to January 28, 2007 the loan was extended to September 21, 2007. It is the intent of CCAA at that time to secure a permanent long-term mortgage from the existing bank which has the interim loan.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Notes to Financial Statements
January 31, 2007 and 2006
(Continued)

(15) Commitment

On February 26, 2007, CCAA signed a contract for renovations of one of its Head Start centers. The total of the contract is approximately \$339,000.

(16) Contingency – Cash Receipts Investigation

During the audit fieldwork for the January 31, 2006 audit, certain cash receipts as noted in the receipt books were not able to be traced to deposit slips. The amounts totaled approximately \$2,280. This matter was reported to the Caddo Parish District Attorney and the Shreveport Police Department. As of July 27, 2007, no investigation of this matter has taken place.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Combining Schedule of Financial Position
January 31, 2007

Assets	Head Start Program	Child Care Food Program	Community Service	Weatherization Assistance	Home Energy Assistance	Water Assistance	Emergency Food and Shelter	Other General Services	Total
Current assets:									
Cash	\$ 358,527	\$ 186,187	\$ 30,985	\$ 17,555	\$ 2,391	\$ 2,148	\$ 1,493	\$ 29,026	\$ 83,568
Grant receivables			31,674	39,034	1,746				615,168
Due from other funds					9,408	3,500		53,385	66,293
Total current assets	<u>358,527</u>	<u>186,187</u>	<u>62,659</u>	<u>56,589</u>	<u>13,545</u>	<u>5,648</u>	<u>1,493</u>	<u>82,411</u>	<u>765,059</u>
Property and equipment:									
Property and equipment	9,369,201		28,522	30,288	4,320			195,141	9,625,472
Accumulated depreciation	(3,275,991)		(26,522)	(7,651)	(3,861)			(48,152)	(3,362,177)
Net property & equipment	<u>6,093,210</u>			<u>22,637</u>	<u>459</u>			<u>146,989</u>	<u>6,263,295</u>
Total Assets	<u>\$ 6,449,737</u>	<u>\$ 186,187</u>	<u>\$ 62,659</u>	<u>\$ 79,226</u>	<u>\$ 14,004</u>	<u>\$ 5,648</u>	<u>\$ 1,493</u>	<u>\$ 229,400</u>	<u>\$ 7,028,354</u>
Liabilities and Net Assets									
Current liabilities:									
Accounts payable	\$ 59,280	\$ 186,187	\$ 11,255	\$ 27,634	\$ 3,870	\$ 80	\$ 800	\$ 289,026	\$ 289,026
Accrued liabilities	285,317		51,204	5,752	1,693			20,579	374,625
Due to other funds			200	53,185				12,908	66,293
Other liabilities								2,090	2,090
Current portion of note payable	919,846							919,846	919,846
Refundable advances	1,930						1,493		3,423
Total current liabilities	<u>1,276,373</u>	<u>186,187</u>	<u>62,659</u>	<u>86,571</u>	<u>5,563</u>	<u>80</u>	<u>1,493</u>	<u>36,377</u>	<u>1,655,303</u>
Net assets:									
Unrestricted:									
Operating				(28,982)	7,982	5,588		46,034	21,620
Designated					459			146,989	7,982
Fixed assets	5,173,364			22,637					5,343,449
Total net assets	<u>5,173,364</u>			<u>(7,345)</u>	<u>8,441</u>	<u>5,588</u>		<u>163,023</u>	<u>5,373,051</u>
Total Liabilities and Net Assets	<u>\$ 6,449,737</u>	<u>\$ 186,187</u>	<u>\$ 62,659</u>	<u>\$ 79,226</u>	<u>\$ 14,004</u>	<u>\$ 5,648</u>	<u>\$ 1,493</u>	<u>\$ 229,400</u>	<u>\$ 7,028,354</u>

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Combining Schedule of Activities
For the Year Ended January 31, 2007

Revenues	Head Start Program	Child Care Food Program	Community Service	Weather- ization Assistance	Home Energy Assistance	Water Assistance	Emergency Food and Shelter	Other General Services	Total
Contractual revenue - grants	\$ 9,119,361	\$ 942,375	\$ 995,896	\$ 314,714	\$ 136,117	\$ 8,917	\$ 26,944	\$ 93,986	\$ 11,544,324
Miscellaneous revenues	39,895								133,881
Total revenues	9,159,256	942,375	995,896	314,714	136,117	8,917	26,944	93,986	11,678,205
Expenses									
Salaries	5,557,987	520,300	694,356	92,717	61,519	12,761		9,945	6,949,585
Fringe benefits	980,008	95,835	143,643	57,378	10,639	2,094		906	1,300,403
Travel	53,263		3,977		661				57,901
Equipment	69,330	21,718	6,189	528	5,060	768		563	104,146
Occupancy	307,666		35,982	177				5,600	349,435
Telephone	57,234		19,635	5,454	2,493			10,971	96,787
Insurance	251,917		22,459	12,650	2,334			110	289,470
Vehicle operation	215,405		8,892	10,356					232,653
Supplies	247,717	41,064	8,817	141,206	3,786	1,091		1,735	445,416
Professional services	553,514		3,681	2,630	725	75		1,846	562,471
Food and related supplies	247,009	263,458		10,121	4,028	623	86	56,597	514,495
Miscellaneous	298,691				42,000		26,858		379,834
Client assistance payments									105,397
Interest expense	54,155								54,155
Depreciation	431,031			5,659	204			11,118	448,012
Total expenses	9,334,927	942,375	995,896	338,876	133,339	17,412	26,944	99,391	11,889,160
Change in net assets	(175,671)			(24,162)	2,778	(8,495)		(5,405)	(210,955)
Net assets, beginning of year	5,349,035			16,817	663	14,063		203,428	5,584,006
Transfer					5,000			(5,000)	
Net assets, end of year	\$ 5,173,364	\$	\$	\$ (7,345)	\$ 8,441	\$ 5,568	\$	\$ 193,023	\$ 5,373,051

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended January 31, 2007

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>
<u>Expenditures</u>		
<u>U.S. Department of Agriculture</u>		
Passed through Louisiana Department of Education:		
Child and Adult Care Food Program (Head Start)	10.558	\$ 942,375
<u>U.S. Department of Homeland Security</u>		
Emergency Food and Shelter	97.024	26,944
<u>U.S. Department of Housing and Urban Development</u>		
Passed through the City of Shreveport		
Community Development Block Grant	14.218	150,000
<u>U.S. Department of Health and Human Services</u>		
Passed through Caddo Parish Commission:		
Head Start		
Passed through Louisiana Department of Labor:		
Community Services Block Grant		
Community Services Block Grant		
Community Services Block Grant		
Passed through Louisiana Housing Finance Agency		
Home Energy Assistance Program (Fy 9-30-06)		
Home Energy Assistance Program (Fy 9-30-07)		
Weatherization Assistance for Low-Income Persons (Fy 3-31-06)		
Weatherization Assistance for Low-Income Persons (Fy 3-31-07)		
Total Department of Health and Human Services		
Total Federal Expenditures		\$ 11,504,127

NOTE 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

**Supplemental Schedules Prepared for
Grants and Contracts Analysis**

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Head Start Grant No. 06CH6376/35
U.S. Department of Health and Human Services
Schedule of Revenues, Expenses and Changes in Fund Balance
For the Contract Period: February 1, 2006 to January 31, 2007

Revenues:	Budget	Actual	COB Balances Current Year
Department of Health & Human Services	\$ 9,996,460	\$ 9,996,460	
Grantee's contribution	2,383,876	2,244,627	
Total revenue	12,380,336	12,241,087	
Expenses:			
Personnel	6,114,873	5,552,748	562,125
Fringe benefits	1,415,628	989,452	426,176
Travel	47,896	35,898	11,998
Equipment	31,000	12,366	18,634
Supplies	370,902	247,003	123,899
Contractual	593,117	518,320	74,797
Construction	196,742	30,000	166,742
Other	1,226,302	1,592,721	(366,419)
	9,996,460	8,978,508	1,017,952
Grantee's share of inkind contributions	2,383,876	2,244,627	
Total all expenses	\$ 12,380,336	11,223,135	
Revenue over (under) expenses		1,017,952	
Fund balance, beginning February 1, 2006		33,778	
Reprogrammed excess funds grant #06CH6376/34		(33,778)	
Fund balance, ending January 31, 2007		\$ 1,017,952	

Caddo Community Action Agency, Inc.
Shreveport Louisiana
Child and Adult Care Food Program
Louisiana Department of Education
Schedule of Revenues, Expenses and Changes in Fund Balance
For the Period: February 1, 2006 to January 31, 2007

Revenue:

Contract revenue	\$ 942,375
Total revenue	<u>942,375</u>

Expenses:

Salaries	520,300
Fringe benefit	95,835
Equipment and repairs	21,718
Non food supplies	41,064
Food service costs	<u>263,458</u>
Total expenses	<u>942,375</u>

Excess revenue (expenses)

Fund balance, beginning February 1, 2006	<u> </u>
Fund balance, ending January 31, 2007	<u><u>\$ </u></u>

Caddo Community Action Agency, Inc.
Shreveport Louisiana
Weatherization Assistance Program
Louisiana Housing Finance Agency
Schedule of Revenues, Expenses and Changes in Fund Balance
For the Contract Period: April 1, 2005 to March 31, 2006

Revenue:

Contract revenue	\$ 406,240
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Expenses:

Administrative costs	24,799
Program operations	314,528
Liability Insurance	4,762
Financial audit	2,500
Incidental repairs supplies	77,788
Training and technical assistance	2,081

Total expenses	<u>426,458</u>
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Excess revenue (expenses)	(20,218)
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Fund balance (deficit), beginning April 1, 2005	<u>(5,898)</u>
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Fund balance (deficit), ending March 31, 2006	<u>\$ (26,116)</u>
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Caddo Community Action Agency, Inc.
Shreveport Louisiana
Shreveport Water Assistance Program
City of Shreveport
Schedule of Revenues, Expenses and Changes in Fund Balance
For the Contract Period: January 1, 2006 to December 31, 2006

Revenue:

Contract revenue	\$ 9,379
Interest	<u>1</u>
Total revenue	<u>9,380</u>

Expenses:

Salaries	12,713
Fringe benefit	2,085
Other expense	<u>2,664</u>
Total expenses	<u>17,462</u>

Excess revenue (expenses)	(8,082)
---------------------------	---------

Fund balance, beginning January 1, 2006	<u>14,932</u>
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Fund balance, ending December 31, 2006	<u><u>\$ 6,850</u></u>
--	------------------------

Caddo Community Action Agency, Inc.
 Shreveport Louisiana
 Emergency Food and Shelter Program
 Schedule of Revenues, Expenses and Changes in Fund Balance
 For the Period: February 1, 2006 to January 31, 2007

Revenue:

Contract revenue	\$	<u>26,655</u>
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Expenses:

Administration		86
Direct assistance		<u>26,858</u>

Total expenses		<u>26,944</u>
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Excess revenue (expenses)		(289)
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Fund balance, beginning February 1, 2006		<u>1,782</u>
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Fund balance, ending January 31, 2007	\$	<u><u>1,493</u></u>
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Caddo Community Action Agency, Inc.
Shreveport Louisiana
General Funds
Schedule of Revenues, Expenses and Changes in Fund Balance
For the Period: February 1, 2006 to January 31, 2007

Revenue:

Caddo Parish Commission	\$ 30,000
Medicaid application fees	588
Emergency aid - CPC	12,000
Miscellaneous	<u>51,398</u>
Total revenue	<u>93,986</u>

Expenses:

Salaries	9,945
Fringe benefits	906
Utilities	5,600
Supplies	2,298
Equipment	1,328
Telephone	10,971
Emergency relief and aid expenses	34,329
Miscellaneous	<u>36,225</u>
Total expenses	<u>101,602</u>

Excess revenue (expenses)	(7,616)
Fund balance, beginning February 1, 2006	<u>46,650</u>
Fund balance, ending January 31, 2007	<u><u>\$ 39,034</u></u>

COOK & MOREHART

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the Board of Directors
Caddo Community Action Agency, Inc.
Shreveport, Louisiana

We have audited the financial statements of Caddo Community Action Agency, Inc. as of and for the year ended January 31, 2007, and have issued our report thereon dated July 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caddo Community Action Agency, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Caddo Community Action Agency's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Caddo community Action Agency's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the agency's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the agency's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2007-B1 and 2007-B2 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the agency's internal control.

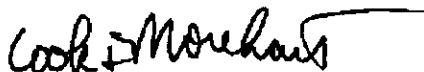
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 2007-B1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caddo Community Action Agency, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Caddo Community Action Agency, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Caddo Community Action Agency, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
July 27, 2007

COOK & MOREHART

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C. BRYAN COYLE, CPA

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Board of Directors
Caddo Community Action Agency, Inc.
Shreveport, Louisiana

Compliance

We have audited the compliance of Caddo Community Action Agency, Inc. with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended January 31, 2007. Caddo Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Caddo Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on Caddo Community Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Caddo Community Action Agency, Inc.'s compliance with those requirements.

In our opinion, Caddo Community Action Agency, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended January 31, 2007.

Internal Control Over Compliance

The management of Caddo Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Caddo Community Action Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Caddo Community Action Agency, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program that such that there is a more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
July 27, 2007

**Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
January 31, 2007**

There were no findings or questioned costs with regards to federal awards programs for the prior audit period ended January 31, 2006.

**Schedule of Findings and Questioned Costs
January 31, 2007**

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Caddo Community Action Agency, Inc.
2. Two significant deficiencies relating to the audit of the financials statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. One of the significant deficiencies is reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Caddo Community Action Agency, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major programs expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Caddo Community Action Agency, Inc. reported in Part C. of this schedule.
7. The programs tested as major programs included: 1) Head Start Program CFDA #93.600 and 2) Community Services Block Grant CFDA #93.569.
8. The threshold for distinguishing Types A and B programs was \$345,124.
9. Caddo Community Action Agency, Inc. qualifies as a low-risk auditee.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
January 31, 2007
(Continued)

B. Findings – Financial Statements Audit

2007-B1 MATERIAL WEAKNESS

Statement of Condition: During our audit, we noted that certain bank accounts of the agency were not reconciled to the general ledgers in a timely manner. CCAA has approximately 11 bank accounts. Of those accounts, only two were reconciled to the agency's general ledgers on a timely basis during the year. The remaining accounts were reconciled but were not done so in a timely manner.

Criteria: Adequate internal controls require that bank accounts be reconciled on a monthly basis to ensure that the accounting records are up to date and that all activity is recorded correctly in the agency's general ledgers in a timely manner.

Cause: Agency personnel did not perform bank reconciliations in a timely manner during the year.

Effect: The agency's bank accounts were not reconciled in a timely manner. Therefore, all activity may not have been recorded correctly in the agency's general ledgers during the year in a timely manner.

Recommendation: We recommend that procedures be implemented to ensure that bank accounts are reconciled on a monthly basis. We further recommend that bank reconciliations be reviewed on a monthly basis with any discrepancies followed up on in a timely manner.

Response: The Accounting Supervisor will reconcile all bank statements on a monthly basis. Furthermore, the Finance Director will review all bank reconciliations on a monthly basis.

2007-B2 SIGNIFICANT DEFICIENCY

Statement of Condition: During our audit, we noted that total expenditures as reported on the Weatherization program final closeout report for the March 31, 2006, contract agreed with the amounts received from the funding source. All amounts received from the funding source on the Weatherization program for that contract were expended. However, an analysis was not maintained by CCAA to provide a reconciliation of the amounts reported in the individual budget categories as listed on the final closeout report to the agency's general ledger.

Criteria: Internal controls over financial reporting should provide reasonable assurance that the financial reports submitted to the funding source are supported by the underlying accounting records.

Cause: An analysis was not maintained by CCAA which would provide a reconciliation of amounts, for the individual budget categories, reported on the final closeout report to the agency's general ledger.

(Continued)

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
January 31, 2007
(Continued)

Effect: Amounts reported in the individual budget categories could not be traced or reconciled to the agency's general ledger or other analysis. Therefore, the amounts reported for those individual budget categories are not adequately supported by the underlying accounting records.

Recommendation: We recommend that controls be established and implemented whereby the financial reports, including amounts for the individual budget categories, are reconciled to the agency's financial records prior to submission. We further recommend that someone independent of report preparation be assigned to review the financial reports prior to submission.

Response: The accounting system will be updated so that the chart of accounts and the Financial Statement layout will more closely compare to the reports submitted to the funding source. The reports will be traceable to the General Ledger and will be reviewed by one who is independent of report preparation prior to submission to the funding source.

C. Findings and Questioned Costs – Major Federal Award Programs Audit - NONE.

Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
Schedule for Louisiana Legislative Auditor
January 31, 2007

There was one finding relating to the financial statements for the prior year audit period ended January 31, 2006, as follows:

2006-B1 REPORTABLE CONDITION

Statement of Condition: During our audit, we noted that the agency collects cash for rental of certain facilities and other miscellaneous items. Receipt books are maintained and utilized in logging the receipts. However, the cash as listed on the receipts in the receipt books were not being reconciled to the actual deposit slips. In addition, deposits were not being made in a timely manner. Based upon receipts in the agency's receipt books, cash collections appear to average approximately \$300 - \$400 per month.

Current Status: Improvement noted. No finding in current year audit.

The prior year management letter comments are addressed below for the year ended January 31, 2006:

Comment #1: CASH WITHDRAWAL

Improvement noted. No comment in current year audit.

Comment #2: TRAVEL

Improvement noted. No comment in current year audit.

Comment #3: MONITORING OF SUBRECIPIENT

Improvement noted. No comment in current year audit.

Comment #4: WEATHERIZATION PROGRAM FINANCIAL REPORTS

See significant deficiency in current year audit.

**Caddo Community Action Agency, Inc.
Shreveport, Louisiana
Corrective Action Plan for Current Year Audit Findings
Schedule for Louisiana Legislative Auditor
January 31, 2007**

There are two findings in the current year audit for the year ended January 31, 2007, as described in the accompanying Schedule of Findings and Questioned Costs. There are no management letter comments for the current year audit for the year ended January 31, 2007.